

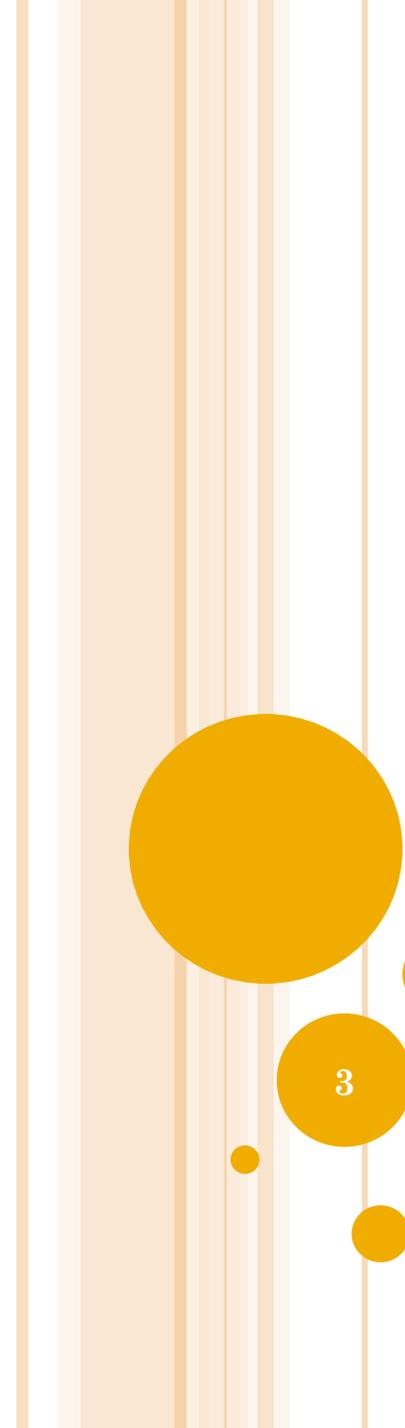
FSSA FY14-15 BIENNIUM BUDGET

Budget Committee Presentation

December 12, 2012

AGENCY OVERVIEW

- Overall Budget of \$8.6 Billion
- Five Divisions / Offices:
 - Division of Aging (DA)
 - Division of Disability and Rehabilitative Services (DDRS)
 - Division of Family Resources (DFR)
 - Division of Mental Health and Addiction (DMHA)
 - Office of Medicaid Policy and Planning (OMPP)
- Current Number of Staff 4,114

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DIVISION OF AGING (DA)

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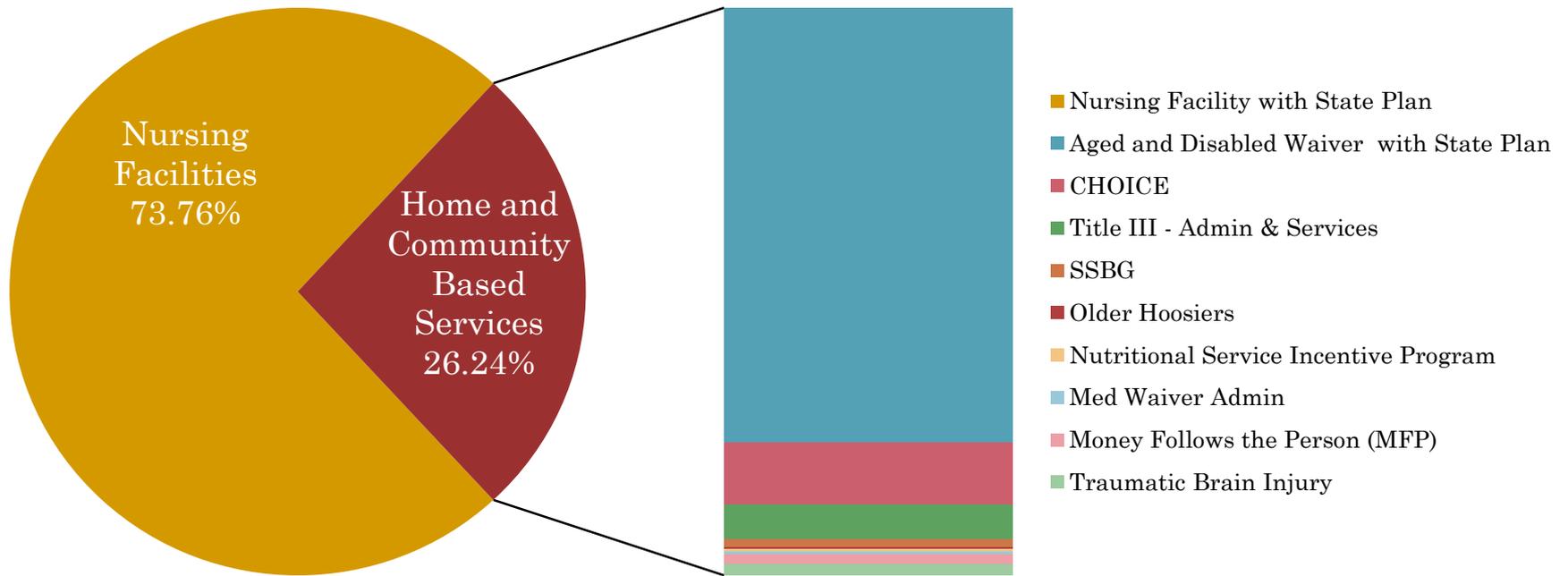
OVERVIEW

- Establish and administer programs to serve the needs of Indiana seniors
- Focus on home and community based services for elderly and disabled
- Support development of alternatives to nursing home care
- Medicaid waivers:
 - Aged & Disabled (A&D)
 - Traumatic Brain Injury (TBI)
- Work closely with the 16 statewide Area Agencies on Aging (AAAs)
- Programs and services:
 - Money Follows the Person
 - CHOICE
 - Social Services Block Grant (SSBG)
 - Congregate and Home Delivered Meals
 - Residential Care Assistance Program (RCAP)
 - Adult Protective Services

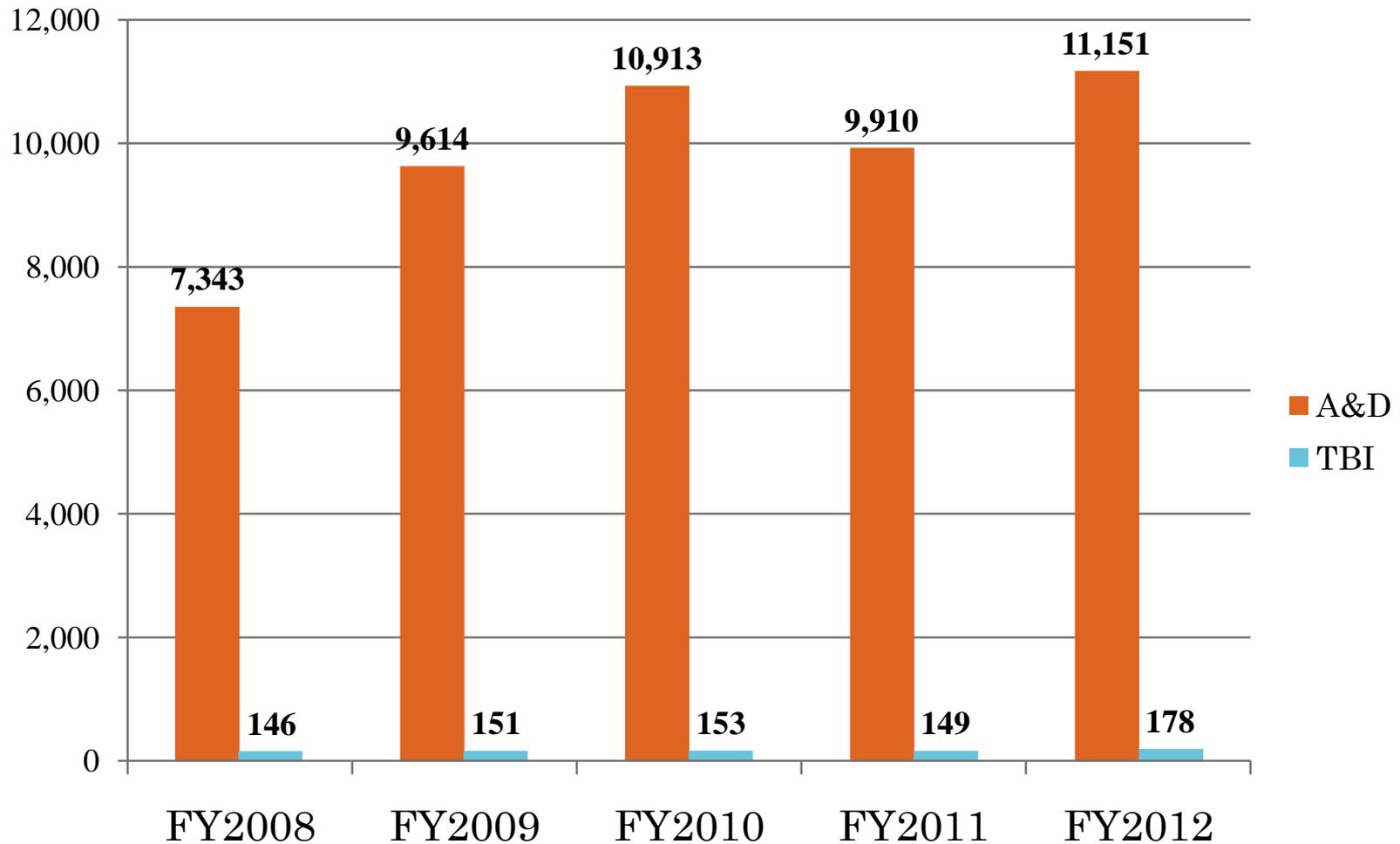
ACCOMPLISHMENTS

- Increased expenditures in Home and Community Based Services (HCBS) by \$426.4M
- Increased enrollment and reduced wait list for Aged and Disabled and TBI Waiver
- Enhanced services of our 16 statewide Aging and Disabled Resource Centers (ADRCs) using additional grants
- Nursing Facility Programs:
 - Phase 2 of Value Based Purchasing fully implemented; Report Card scores continue to improve
 - Quality Assessment Fee maximized generating approximately an additional \$75M for quality in nursing facilities
- Money Follows the Person (MFP) program is operating statewide
 - 775 successful transitions from institutional settings
 - Persons being served in Psychiatric Residential Treatment Facilities are now eligible for transition under this program

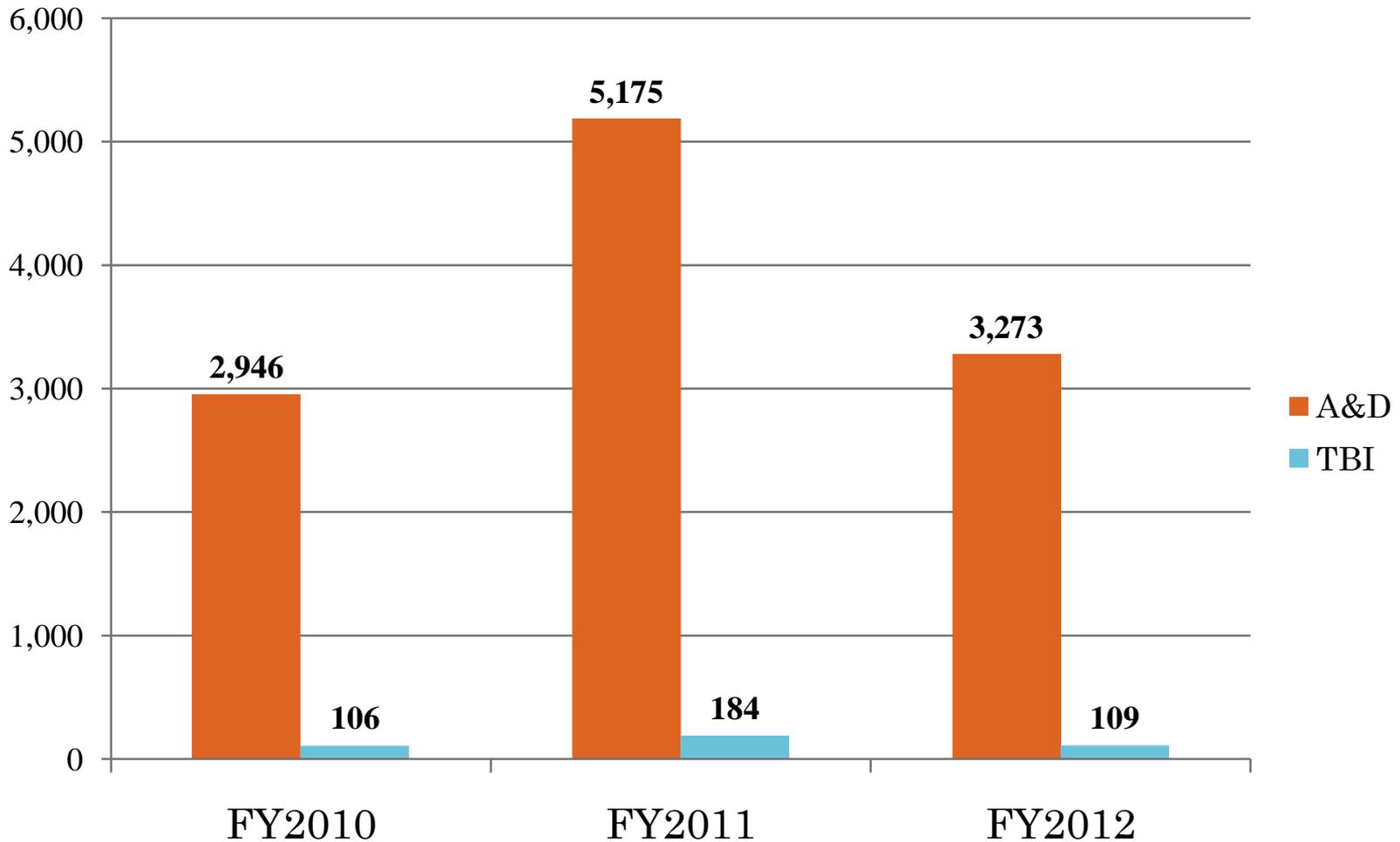
SFY 2012 Expenditures for NF and HCBS Funding



MEDICAID WAIVER CLIENTS SERVED

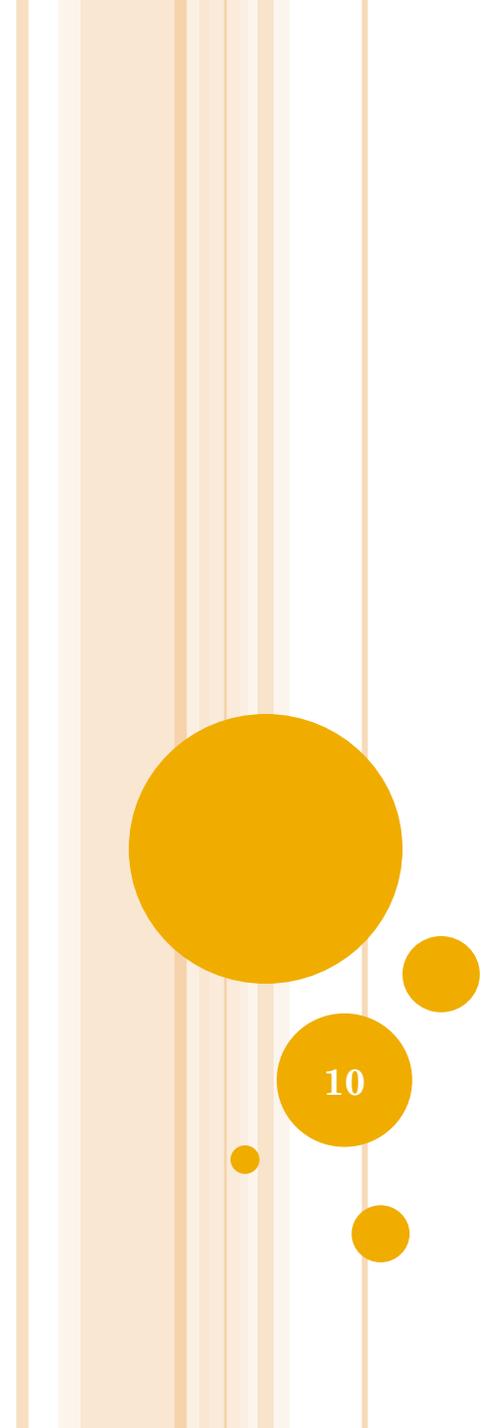


MEDICAID WAIVER WAIT LIST



INITIATIVES

- Implement Phase 3 of Value Based Purchasing July 2013
 - Increases number of components that qualify for the incentive payments; e.g. staffing measures and satisfaction surveys, in addition to the report card scores
- Complete 450B electronic submission for nursing facility administration
- Complete FSSA/AARP report on CHOICE program
- Continue work on Balancing Incentive Payment (BIP) program

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DIVISION OF DISABILITY AND REHABILITATIVE SERVICES (DDRS)

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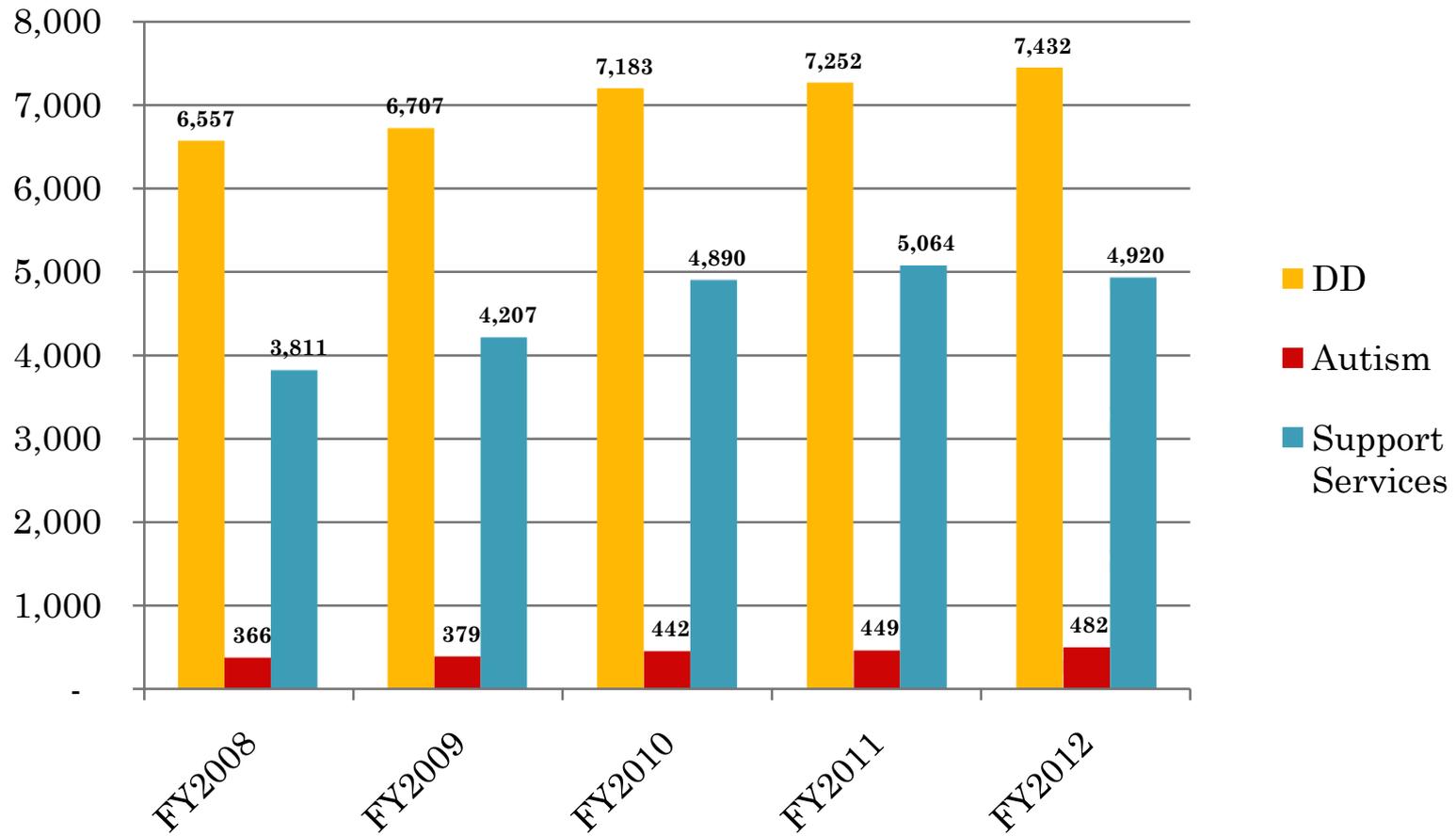
OVERVIEW

- Facilitate the delivery of support services to:
 - Children with disabilities or who are developmentally vulnerable
 - Eligible individuals with cognitive disabilities
 - Blind and visually impaired
 - Deaf and hard of hearing
 - Individuals who can benefit from vocational rehabilitation services
- Programs and Services:
 - Waivers:
 - Historically: Developmental Disability (DD), Support Services (SS) and Autism waivers
 - As of September 2012: Community Integration and Habilitation (CIH) Waiver and Family Supports (FS) Waiver
 - First Steps (Early Intervention): Rehabilitation program for children ages 0-3
 - Rehabilitation/Employment:
 - Vocational Rehabilitation Services
 - Blind & Visually Impaired Services
 - Deaf and Hard of Hearing Services
 - Project Search
 - Administers the Social Security Disability Determination Bureau

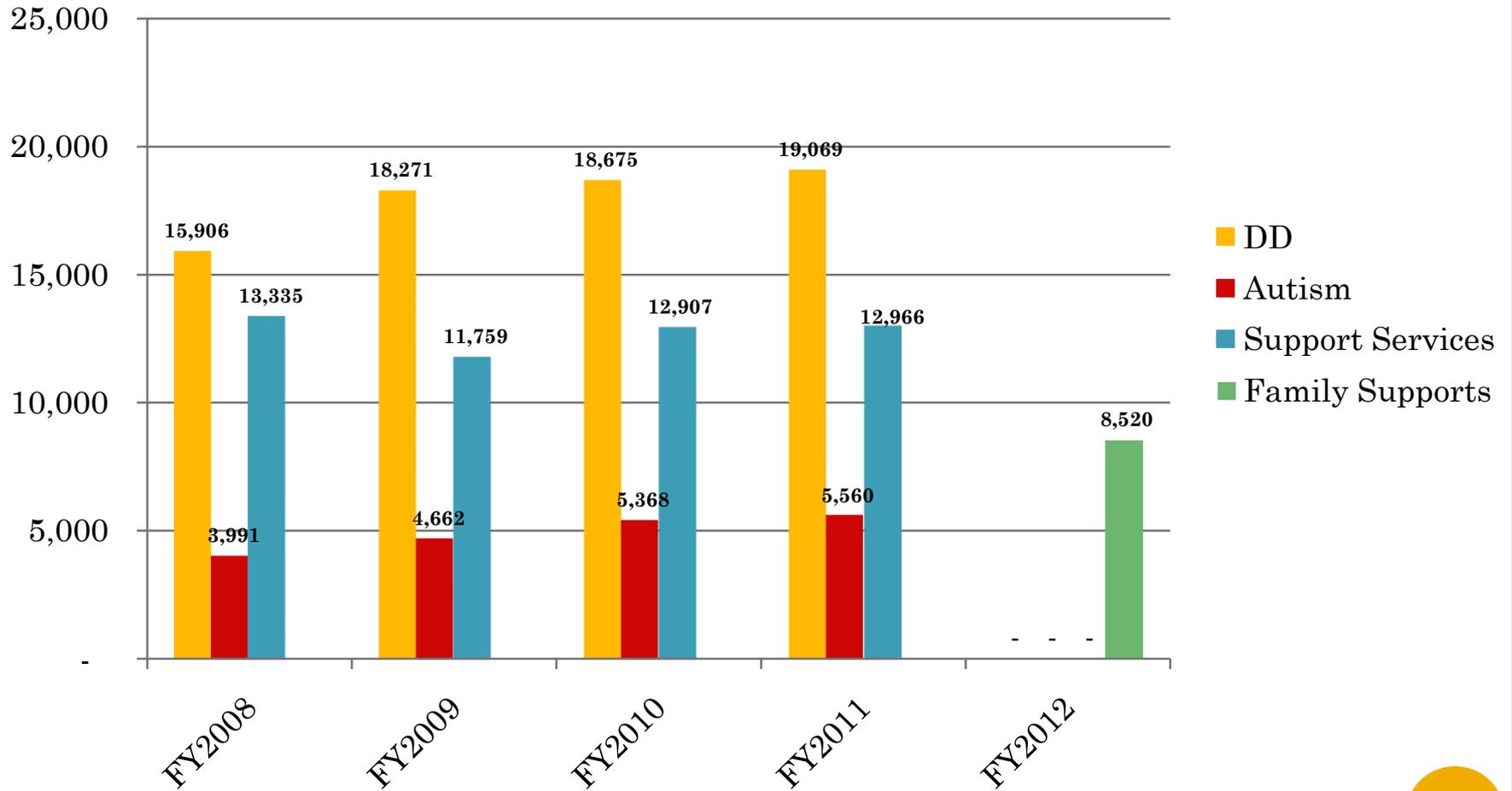
ACCOMPLISHMENTS

- Completed report per Section 144 of 2011 budget bill to identify alternatives to control program costs without limiting services
 - Improved the integrity of the waiver wait list, moving it from greater than 19,000 unduplicated consumers to currently less than 8,500
 - Restructured waivers to better serve clients with developmental disabilities
- Indiana's Disability Determination Bureau (DDB) ranked 1st in productivity nationally with the fastest application processing times and highest accuracy rates in the Chicago Region

WAIVER COUNTS: TOTAL SERVED

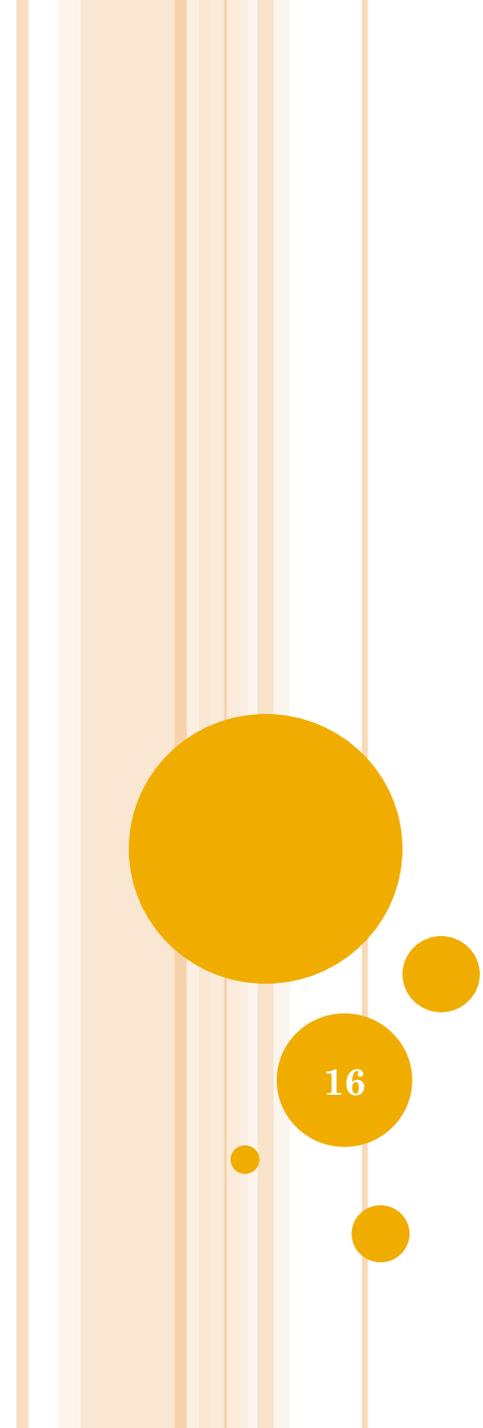


WAIVER COUNTS: WAIT LIST



INITIATIVES

- Eliminate the wait list by adding these individuals to the Family Supports Waiver
- Continue voluntary conversion of group homes into waiver homes
- Streamline BDDS intake and eligibility process
- Continue work on Balancing Incentive Payment (BIP) program

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DIVISION OF FAMILY RESOURCES (DFR)

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OVERVIEW

- Administer assistance to low-income families in need: cash assistance, child care assistance, SNAP, employment and training services and Medicaid
- Programs and Services:
 - Eligibility determination for public assistance: TANF, SNAP and/or Medicaid
 - Child care facilities and assistance:
 - Licensing and inspection program for child care facilities
 - Paths to Quality
 - Administers Child Care Development Fund (CCDF) program
 - Refugee assistance
 - Head Start

NUMBER OF HOOSIERS RECEIVING BENEFITS

Enrollees by Program (as of June 30 annually)

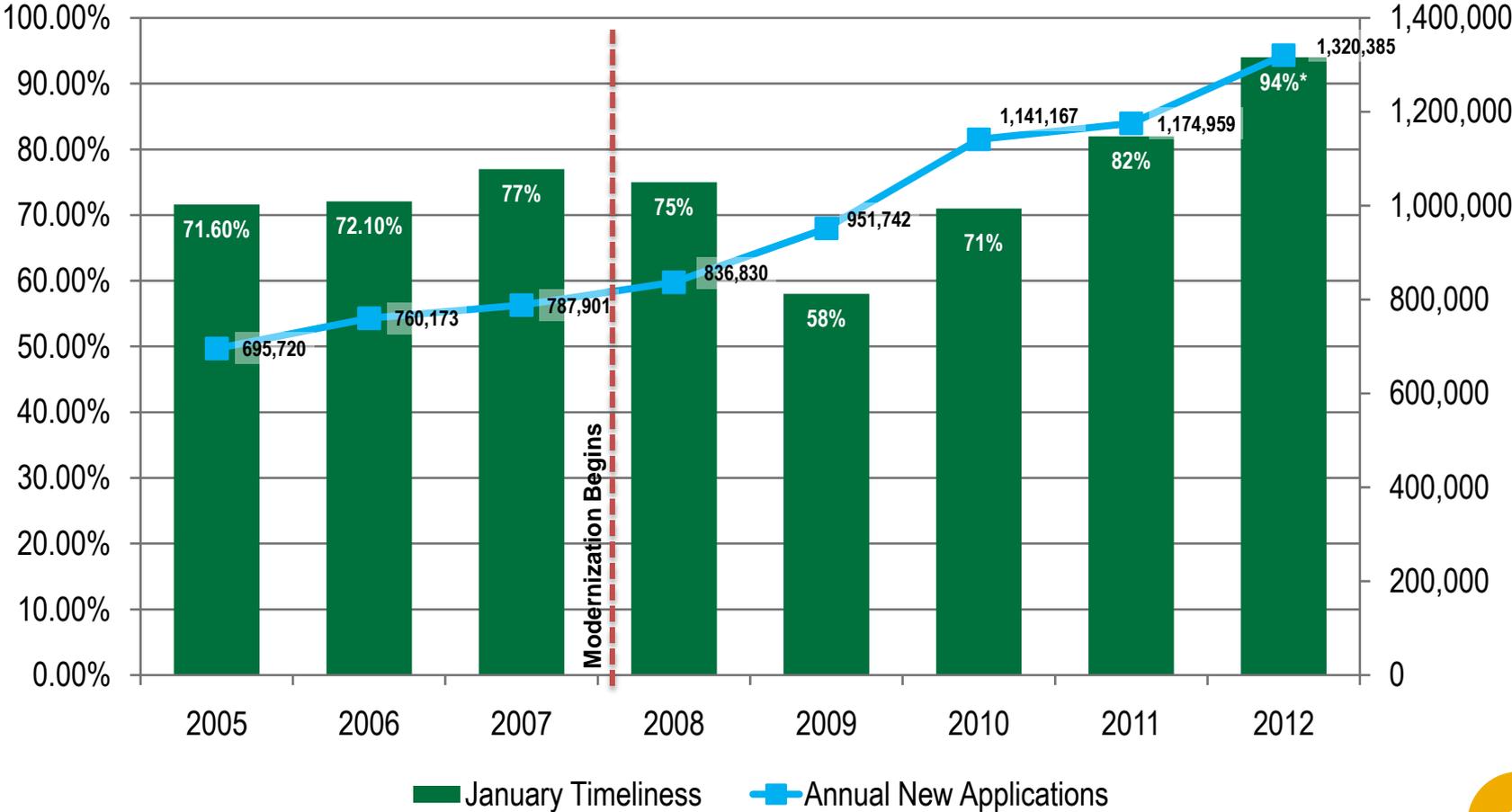
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Medicaid	777,170	822,344	847,625	857,599	877,933	920,332	1,017,571	1,088,637	1,110,188	1,127,015
Food Stamp Recipients	487,197	532,402	557,206	575,602	586,156	639,470	721,155	828,604	887,851	911,071
Food Stamp Households	205,208	228,218	241,177	249,914	253,443	273,876	306,562	355,626	388,271	405,219
TANF	146,783	148,788	141,055	135,206	117,311	122,743	119,912	104,004	69,906	39,374
Number of Hoosiers enrolled in at least one program*	810,694	866,103	899,701	922,434	943,343	1,013,429	1,114,950	1,250,774	1,295,799	1,324,689

* Program totals are comprised of only unique cases, not a sum of individual program data.

ACCOMPLISHMENTS

- Successfully completed implementation of statewide hybrid system
- Increased work participation rate by 80% for targeted TANF recipients
- Child Care Development Fund (CCDF)
 - Supported approximately 36,000 children a month through the CCDF voucher program
- Completed year three of administering Indiana's statewide quality rating and improvement system, Paths to Quality
 - Currently over 85% of licensed centers, 58% licensed homes and 11% of unlicensed registered ministries are enrolled in the voluntary system

FSSA DIVISION OF FAMILY RESOURCES IMPROVEMENTS IN APPLICATION TIMELINESS

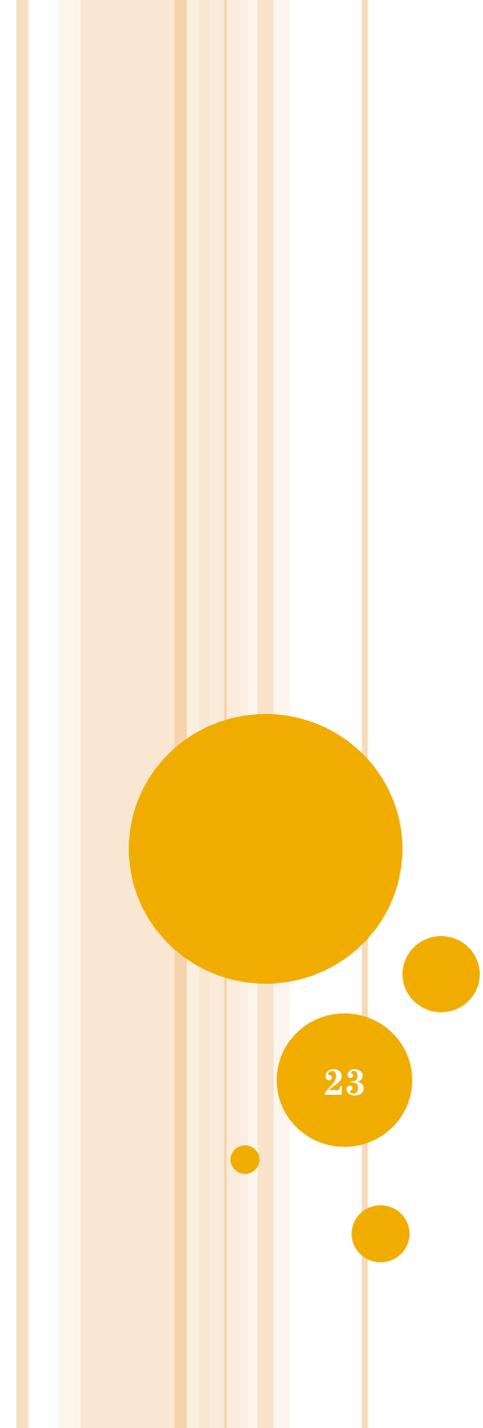


INITIATIVES

- Continue efforts to improve eligibility customer service and program metrics
- Implement new eligibility criteria and processes, as required by the Patient Protection and Affordable Care Act (PPACA)
- Continue efforts to replace existing eligibility system (ICES)
- Paths to Quality
 - Continue to maintain participation in Paths to Quality at over 85% of Licensed Centers and to increase participation for Licensed Homes to over 60%
 - At least 20% of all Paths to Quality facilities will increase their rated quality level by at least one level
- Execute Memorandum of Understanding (MOU) with BMV to identify possible cases of public assistance fraud
- Temporary Assistance to Needy Families (TANF):
 - Increase the work participation rates for IMPACT individuals
 - Implement a tracking system to help ensure TANF recipients are not accessing TANF benefits in prohibited locations; refer individuals to the county prosecutor when appropriate

TANF TRACKING SYSTEM

- Alcohol & Tobacco Commission has agreed to educate vendors on the law and monitor for enforcement of required signage
- TANF Recipients:
 - September 2012:
 - Notice sent to all current TANF EBT cardholders informing them of the penalty for using their card at restricted establishments
 - DFR modified the TANF approval notices to include language regarding these restrictions
 - Effective October 2012:
 - Information regarding these restrictions is included with all EBT cards
- DFR is developing a reporting tool to crosscheck addresses on the monthly EBT transaction report against the permit list provided by the Alcohol and Tobacco Commission

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DIVISION OF MENTAL HEALTH AND ADDICTION (DMHA)

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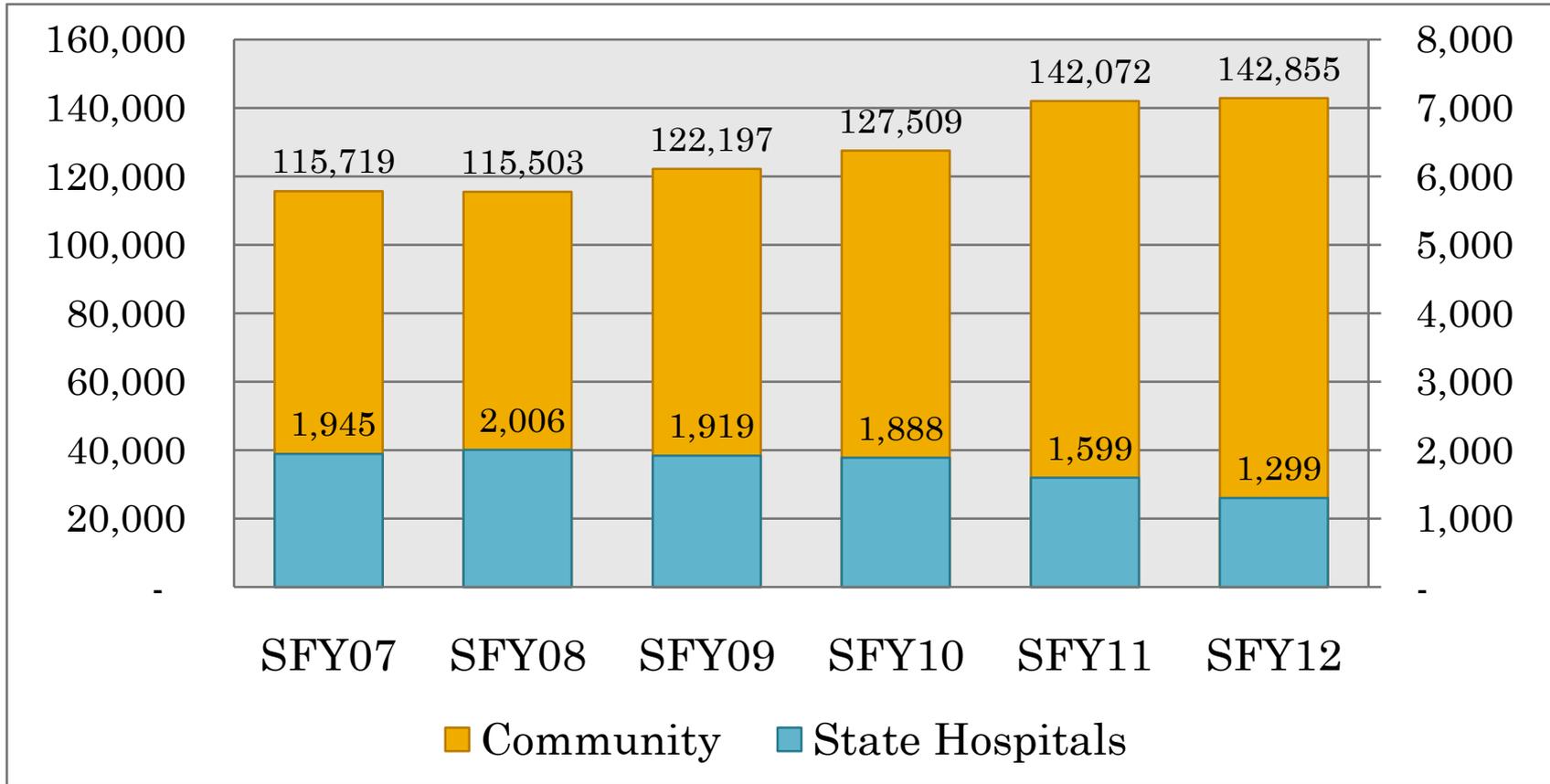
OVERVIEW

- Set care standards for mental health and addiction services
- Provide funding support for mental health and addiction services to target populations through a network of managed care providers
- Programs and Services:
 - Certify and partner with Community Mental Health Centers (CMHCs)
 - Administer funds earmarked for substance abuse prevention and treatment
 - Gambling and addiction hotlines
 - License inpatient psychiatric hospitals
 - Operate state mental health hospitals
 - Evansville Psychiatric Children's Center
 - Evansville State Hospital
 - Larue Carter State Hospital (Indianapolis)
 - Logansport State Hospital
 - Madison State Hospital
 - Richmond State Hospital

ACCOMPLISHMENTS

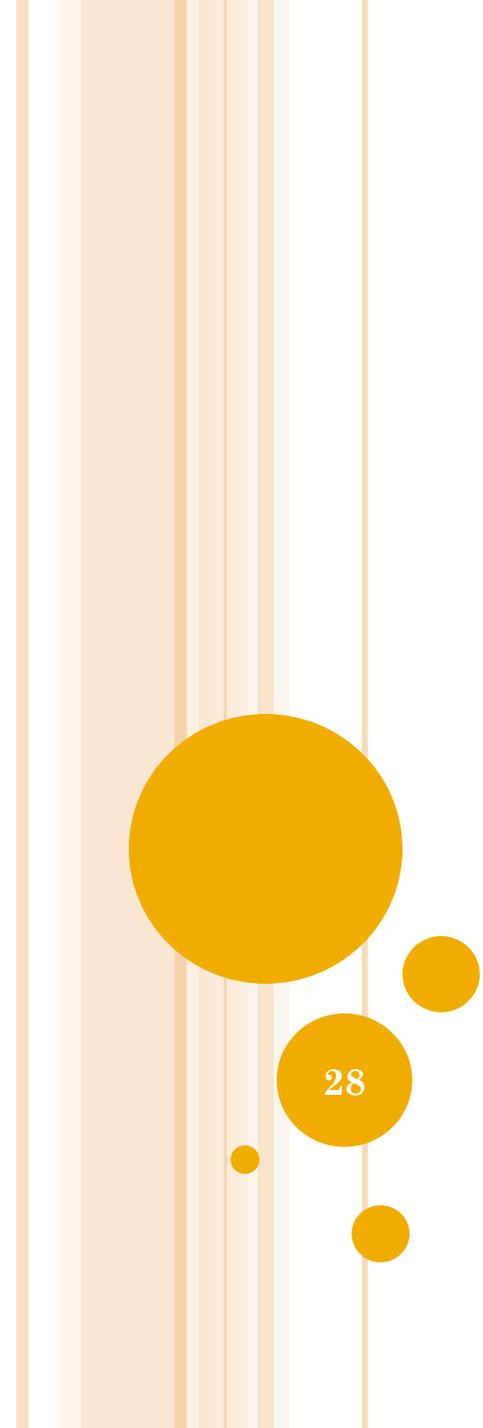
- Received New Grant Funding- \$10.7M
 - Screening, Brief Intervention and Referral to Treatment (SBIRT) - \$5M
 - Prescription Drug Initiative - \$2.7M
 - Adolescent Drug Treatment - \$3M
- Completed Community Alternatives to Psychiatric Residential Treatment Facilities (CA-PRTF) after 5 successful years
 - Served 1,646 children/youth in the community instead of a residential facility
 - Estimated savings of \$121 million since inception
- Certified Recovery Specialists
 - Initiated certification for peer recovery specialists to assist persons with recovery from mental illness
 - Over 200 persons certified
- Mental Health Promotion/Substance Abuse Prevention
 - Published state plan for suicide prevention with action steps for individuals, communities, and the state
- Access to Recovery
 - Through this federal grant, over 1,000 persons each month are enrolled in services to support their recovery from addiction

PERSONS SERVED



INITIATIVES

- Continue to develop community treatment and housing services for persons with mental illness to reduce reliance on long-term care in a state hospital
- Focus addiction prevention and treatment efforts toward youth drug and alcohol use and toward prescription drug abuse
- Implement a 1915i waiver to serve individuals in the community with serious mental illness
 - Children: continue serving the CA-PRTF population
 - Adults: age 35 or over with an eligible primary mental health diagnosis to include: Schizophrenic, Major Depressive, Bipolar, Delusional, Psychotic and Obsessive-Compulsive Disorders
- Continue work on Balancing Incentive Payment (BIP) program
- Continue to identify areas of efficiency at State Operated Facilities (SOFs)

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OFFICE OF MEDICAID POLICY AND PLANNING (OMPP)

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OVERVIEW

- Administer the Indiana Medicaid Program to over 1 million members
- Programs and Services:
 - Hoosier Healthwise
 - Care Select
 - Healthy Indiana Plan (HIP)
 - Fee-for-service
 - Issue payments to Medicaid providers
 - Monitor provider enrollment
 - Medicaid fraud and abuse prevention
 - Perform reviews of Medicaid disability claims
 - Medicaid health IT payments

ACCOMPLISHMENTS

- Successfully implemented Hospital Assessment Fee (HAF)
 - Additional revenue of approximately \$230M to hospital partners
 - Additional revenue of \$90-\$95M to the State
- Medicaid Health IT: successful implementation of Phase Two funding to eligible hospitals and individual providers
- Recognized by CMS as a leader in ICD -10 planning and implementation
- Continued focus on program integrity efforts to reduce fraud and abuse

FRAUD & ABUSE

○ Provider fraud

- Detection-34 algorithms developed and 356 audits conducted resulting in:
 - 27 referrals to investigative entities
 - \$2.4M in potential overpayments identified
 - \$125+M in recoveries
- Prevention
 - Provider Education
 - Payment Review Program
 - National Correct Coding Initiative (CCI)
- Provider Enrollment
 - Providers categorized by type as high, moderate, low risk
 - Screening requirements vary by risk category

○ Member fraud

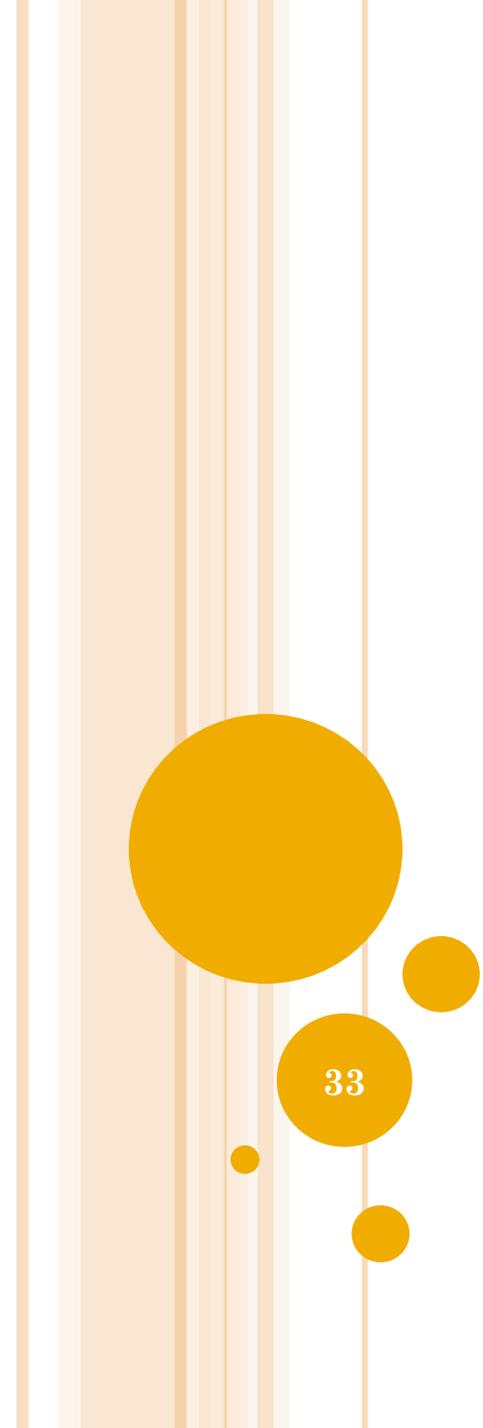
- Substantiated 24 Medicaid fraud cases
- 12 cases were prosecuted
- 9 received felony convictions
- Court ordered restitution of nearly \$123,000

○ Member misrepresentation and overutilization

- Right Choices program: almost 3,000 program members

INITIATIVES

- ACA:
 - Update Medicaid eligibility policies and procedures
 - Increase Medicaid primary care reimbursement for calendar years 2013-2014
- Continue Hospital Assessment Fee
- Continue efforts on MMIS, Pharmacy Benefit Manager and statewide e-prescribing projects
- Evaluate conversion of Medicaid disability program from 209b with spend down to 1634 (Social Security criteria) as authorized by SEA 461 of the 2011 legislative session
- Continue work on Balancing Incentive Payment (BIP) program
- Continue testing and implementation of ICD-10
- Explore options to address healthcare cost and outcomes for duals and the aged, blind, and disabled

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HEALTHY INDIANA PLAN (HIP)

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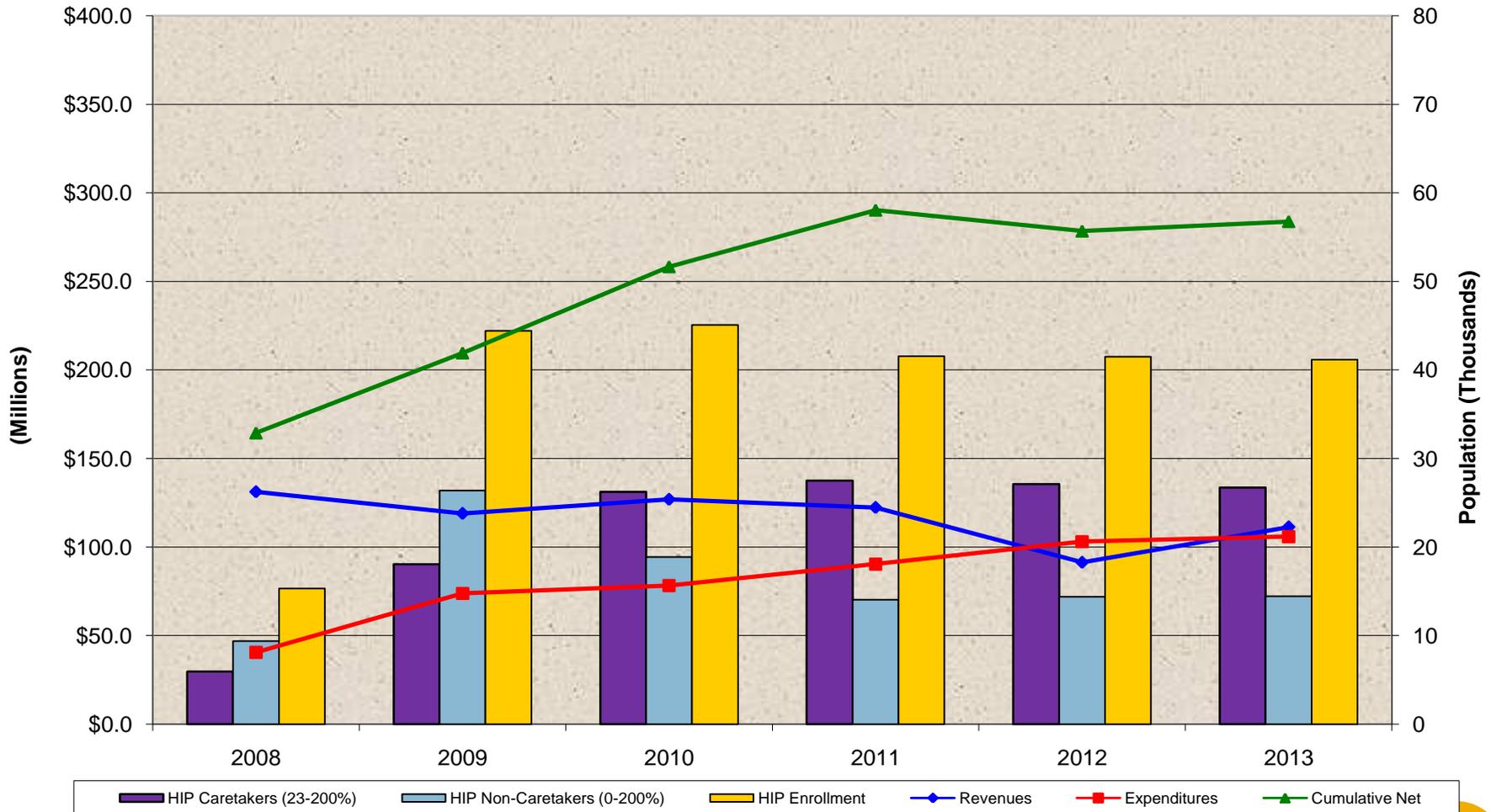
HEALTHY INDIANA PLAN (HIP) UPDATE

- Enrollment (as of 10/31/2012)
 - Total enrollment: 39,886
 - Childless adults: 13,830
 - Parental adults: 26,056
- Childless adults wait list continues, but program remains open for parental adults
- Current number of individuals on wait list: 44,227
 - 2011 waiting list reduction
 - Over 43,000 letters mailed
 - Over 5,380 individuals were deemed eligible

CMS HIP RESPONSE

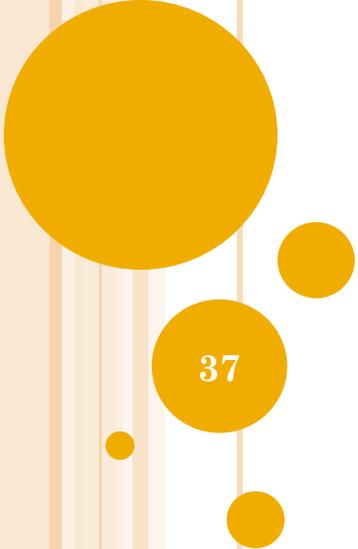
- 1- year extension of HIP
- No minimum contribution (\$160 per yr.)
- Not-for-profits POWER account contributions allowed
- CMS open issues:
 - Post-2013 future of HIP
 - No answer on DSH restoration request
 - Plan contributions to POWER account
- Applying for post-2013 waiver extension - deadline is 12/31/2012

State of Indiana Office of Medicaid Policy and Planning
Healthy Indiana Plan
Revenue and Expenditure Forecast - September 2012 Update
Status Quo



Scenario assumes HIP continued through 2013 & enrollment remains level.

FEDERALLY-FACILITATED EXCHANGE (FFE)

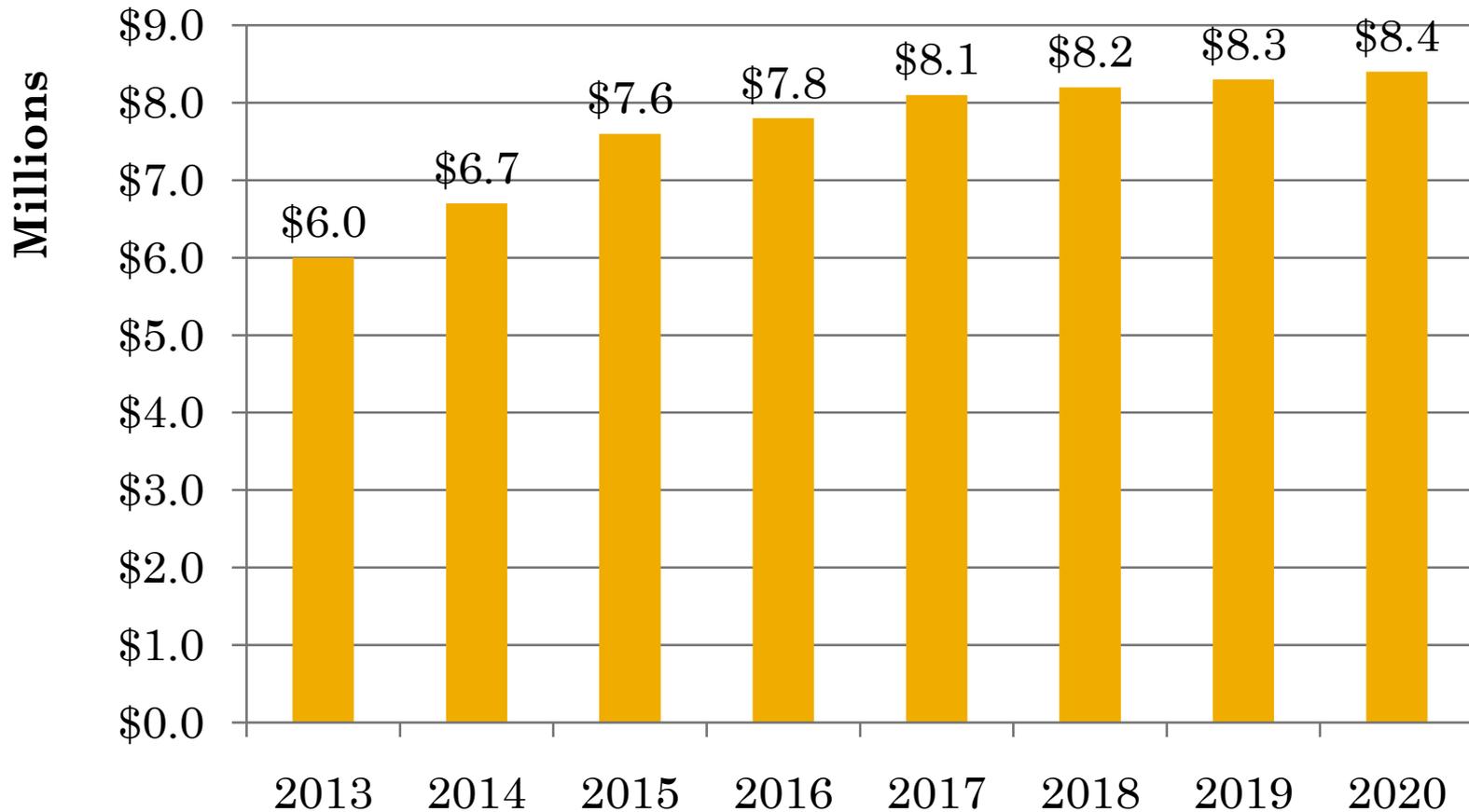


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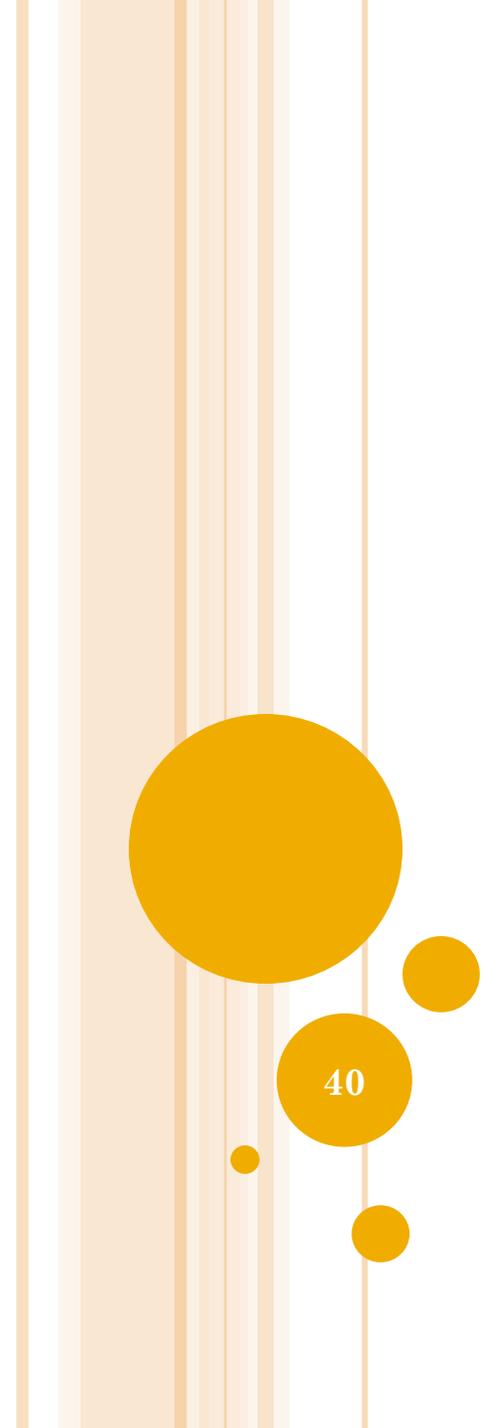
FEDERALLY-FACILITATED EXCHANGE (FFE) COST BREAKDOWN

- Cost for FSSA
 - Integration with FFE and Federal HUB
 - Staff Training
 - Staff to coordinate with FFE
 - Receiving/sending FFE Medicaid assessments & determinations
 - Expected increase in volume of non-Medicaid eligible individuals*
 - Federal match for these ongoing costs unclear

ANNUALLY FEDERALLY - FACILITATED EXCHANGE TOTAL COST 2013 - 2020



Cost Represents FSSA Cost Only

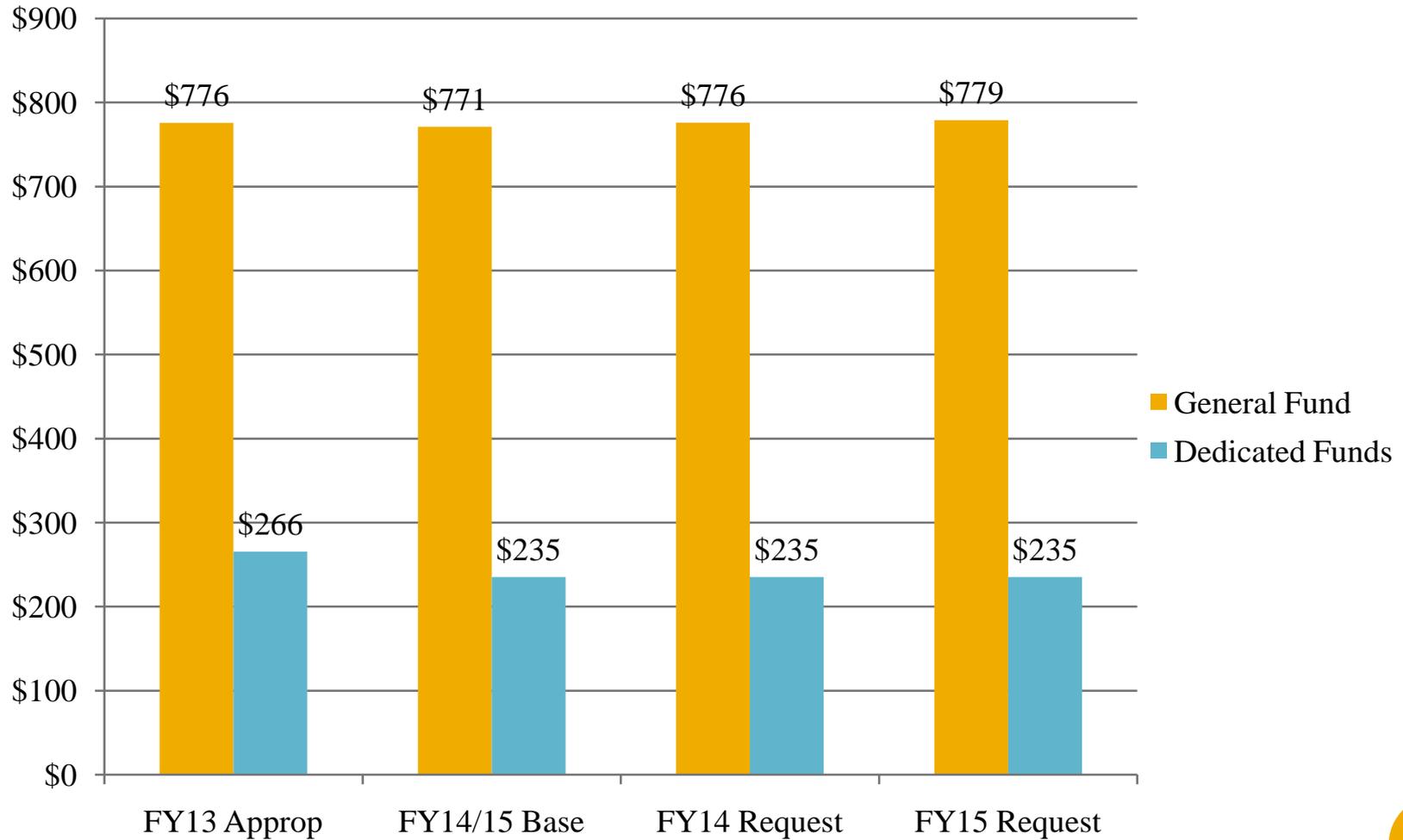
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FSSA SFY14-15 BUDGET REQUEST

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NON-MEDICAID BASE BUDGET

(\$'S IN MILLIONS)



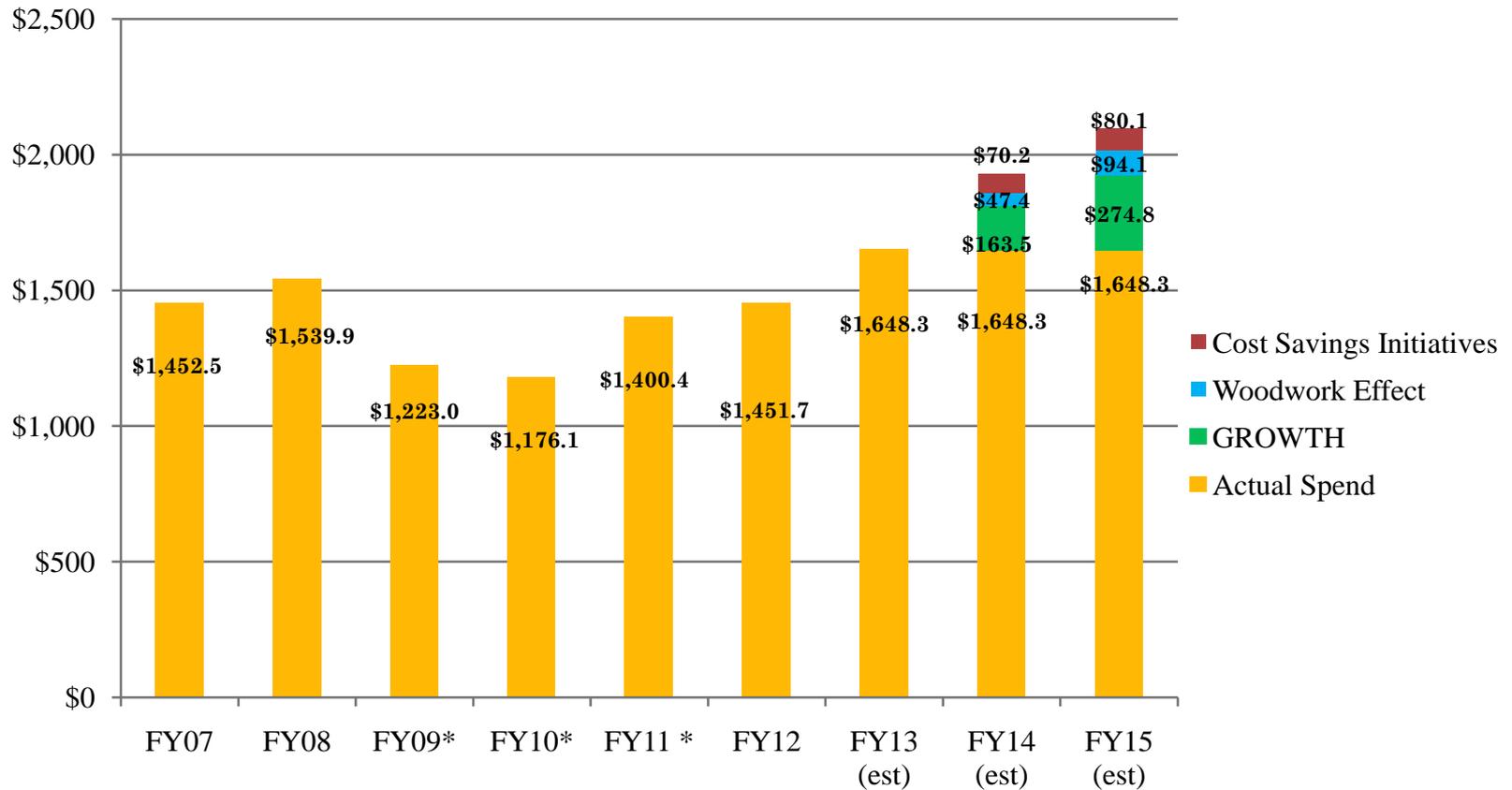
NON-MEDICAID CHANGE PACKAGES

DMHA	SFY 2014	SFY 2015
New programs		
Access to Recovery		3,000,000
Adolescent Drug Program	1,000,000	1,000,000
Prescription Drug Abuse	500,000	500,000
Suicide/Bullying Prevention	500,000	500,000
1915i Match-Kids	600,000	600,000
1915i Match-Adults	<u>800,000</u>	<u>800,000</u>
	\$3,400,000	\$6,400,000
Restore SMI Tobacco Tax Appropriation	<u>\$1,611,650</u>	<u>\$1,611,650</u>
Total non-Medicaid Change Packages	\$5,011,650	\$8,011,650

FSSA CAPITAL REQUEST

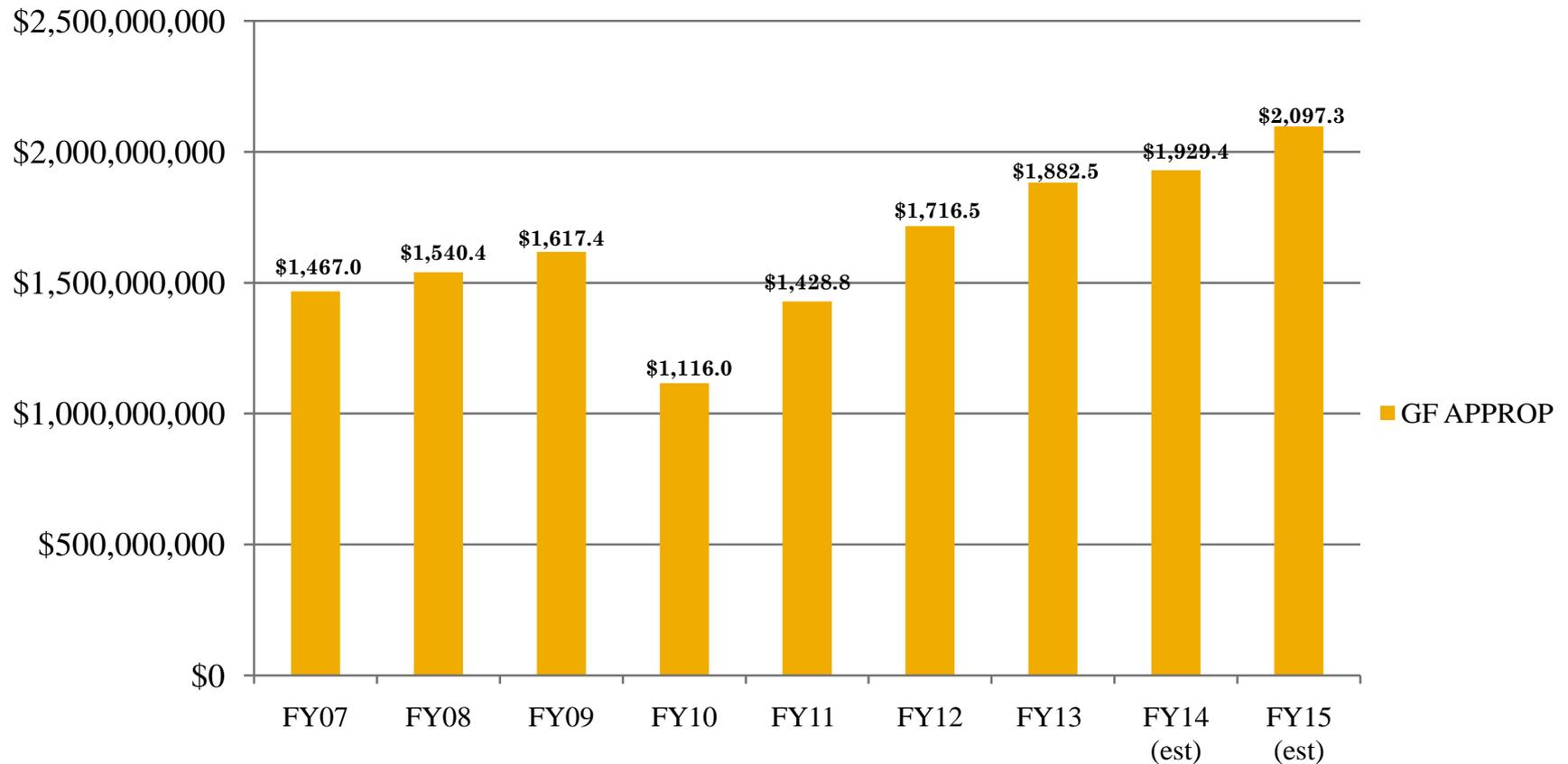
- Capital request for FSSA includes both Preventive Maintenance and Capital projects needed to maintain the current State hospital facilities and replacement of older vehicles
 - Preventive Maintenance - \$5,574,394
 - Capital Projects - \$5,897,392
- Request have been limited to those projects that are needed to maintain the infrastructure of the facilities and life safety issues
- Capital projects have been prioritized over the SOF system as a whole and not by each individual hospital

MEDICAID GENERAL FUND APPROPRIATIONS



*Received increased Federal Revenue under ARRA

MEDICAID GENERAL FUND APPROPRIATIONS



**PROJECTED MEDICAID ASSISTANCE NEED AND
INCREASE REQUESTED RELATIVE TO SFY 2013 APPROPRIATION
(IN \$MILLIONS)**

	SFY2014	SFY2015
Base Expenditures	1,648.3	1,648.3
Growth	163.5	274.8
Expiration of Cost Savings Initiatives	70.2	80.1
Woodwork Effect	<u>47.4</u>	<u>94.1</u>
December 2012 Projection	\$1,929.4	\$2,097.3
SFY 2013 Appropriation	<u>\$1,882.5</u>	<u>\$1,882.5</u>
Total Increase From SFY 2013 Appropriation	\$46.9	\$214.8
<u>Potential Medicaid Expansion Options</u>		
133% Expansion	<u>32.1</u>	<u>69.9</u>
Total Increase From SFY 2013 Appropriation	\$79.0	\$284.7

**PROJECTED MEDICAID ADMIN NEED AND
INCREASE REQUESTED RELATIVE TO SFY 2013 APPROPRIATION
(IN \$MILLIONS)**

	SFY2014	SFY2015
Base Expenditures	\$32.1	\$32.1
Growth	0.0	2.2
Woodwork Effect	<u>19.7</u>	<u>11.0</u>
December 2012 Projection	\$51.8	\$45.3
SFY2013 Appropriation	<u>\$32.1</u>	<u>\$32.1</u>
Total Increase From SFY 2013 Appropriation	\$19.7	\$13.2
<u>Potential Medicaid Expansion Options</u>		
133% Expansion	<u>34.6</u>	<u>36.8</u>
Total Increase From SFY 2013 Appropriation	\$54.3	\$50.0

QUESTIONS?

